GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2882
ANSWERED ON:07.12.2001
REVIVAL OF BURN STANDARD COMPANY HOWRAH
PRIYA RANJAN DASMUNSI

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether several representations have been made to the Government for the revival of Burn Standard Company, a public sector undertaking unit at Howrah;

(b) if so, the details thereof; and

(c) the steps taken by the Government to revive it?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) & (b): Some representations from employees` unions forwarded by MPs Shri Priya Ranjan Dasmunsi and Shri Dipankar Mukherjee and a reference from Hon`ble Minister of State for Communication, Shri Tapan Sikdar regarding revival of Burn Standard Company including its unit at Howrah Works have been received.

(c): A rehabilitation scheme was sanctioned by the Board for Industrial and Financial Reconstruction (BIFR), a quasi-judicial body, on 16th April, 1999. The Government of India extended more assistance than envisaged in the scheme. This included cash support of Rs.184 crore (against an envisaged amount of Rs.158.30 crore in the BIFR scheme) and financial restructuring of Rs.465.36 crore.

However, the company could not achieve the required results and continue to incur heavy loss. The BIFR, therefore, declared the scheme as failed in February, 2001 and issued orders for change of management on 14.9.2001. Simultaneously, the Government has also initiated action for locating a strategic partner who would be able to provide the requisite financial, marketing and technology support.